RESTAURANT CONTROLLER SENTENCED TO 2 YEARS FOR EMBEZZLEMENT

PHOENIX, ARIZONA -- The United States Attorney's Office for the District of Arizona, announced today that FRED E. CLANTON, JR., 59, of Phoenix, Arizona, was sentenced to serve two years in prison, and pay more than $90,500 in restitution, by United States District Judge Stephen M. McNamee, in Phoenix, Arizona, for a bankruptcy fraud offense CLANTON was convicted of earlier this year.

On March 1 of this year, CLANTON was convicted at trial by a federal jury of embezzling more than $90,000 from the bankruptcy estate of Marilyn's First Mexican Restaurant, a popular Mexican restaurant formerly located near the Paradise Valley Mall in Phoenix, with a second location in Scottsdale. Both locations are now out of business.

At trial, the jury's guilty verdict was based on evidence that CLANTON, in his capacity as controller of Marilyn's, had written checks to himself over a 2 ½ year period which he falsely recorded on company books as having been written to various restaurant suppliers, and then cashing the checks for his

own benefit. At the time of this embezzlement, Marilyn's was continuing operations, but had filed for

bankruptcy in the United States Bankruptcy Court for the District of Arizona. The bankruptcy trustee was

the first to confront CLANTON with his criminal activity. The case was then referred to the Bankruptcy Fraud Task

Force, which screens local bankruptcy fraud cases reported to it to determine those which should be further investigated by law

enforcement agencies.

The investigation of this case was conducted by the FBI. The prosecution was handled by the United States Attorney's

Office for the District of Arizona.

CASE NUMBER: CR-00-744-PHX-SMM
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